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C O N F I D E N T I A L SECTION 01 OF 02 DAMASCUS 000151

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TAGS: [KDEM](#) [KPAL](#) [PHUM](#) [PREF](#) [PREL](#) [SOCI](#) [SY](#)  
SUBJECT: PALESTINIAN REFUGEES: COMMISSIONER-GENERAL LATEST  
TO SOUND ALARM ON UNRWA FINANCES

REF: A. DAMASCUS 50  
[1](#)B. DAMASCUS 122

Classified By: Acting CDA Andre Goodfriend for  
Reasons 1.4(b) and (d).

[1](#)1. (C) SUMMARY: United Nations Relief and Works Agency (UNRWA) Commissioner-General Filippo Grandi and Deputy Commissioner-General Margot Ellis said February 21 UNRWA's operations assisting Palestinian refugees in Syria were "in serious trouble" and that "dramatic" changes are possible if the agency does not come up with sufficient money for its general fund. During a briefing for ambassadors of donor countries, Grandi warned UNRWA's funding problems could have negative consequences for stability in the region and for the peace process. The warnings echo recent statements by UNRWA Country Representative Roger Hearn (ref. A) and the Head of the SARG's General Authority for Palestine Arab Refugees (GAPAR) Ali Mustafa (ref. B). In addition to finding a solution to UNRWA's funding woes, the agency's leadership said it was aiming to strengthen its advocacy for Palestinian refugees, even in the face of criticism that its advocacy verged on the political, and to improve the quality of services it provided those refugees. END SUMMARY.

"WE ARE IN SERIOUS TROUBLE"

[1](#)2. (C) Addressing ambassadors of UNRWA donor countries in Damascus on February 21, UNRWA Commissioner-General Filippo Grandi said UNRWA's current funding difficulties were "particularly acute" in Syria because 1) there was less media attention on the needs of the close to 500,000 Palestinian refugees in Syria after 60 years; and 2) UNRWA programs in Syria were dependent exclusively on core funding from the agency's nearly bankrupt "general fund." Grandi said the situation was so dire in November that the agency did not know if it would make its December payroll. Though UNRWA was able to obtain last minute donations to get through the end of 2009, Grandi concluded, "This can't continue."

[1](#)3. (C) Grandi's warning echoed recent statements by UNRWA Country Representative Roger Hearn and the Head of the SARG's General Authority for Palestine Arab Refugees (GAPAR) Ali Mustafa. Hearn told us January 9 his organization's "surreal" financial situation was so dire it required immediate attention and might entail "a complete reconfiguration of the way UNRWA works in Syria" (ref. A). Mustafa articulated his concerns regarding the financial challenges facing UNRWA's Syria operations during a February 11 courtesy call with CDA (ref. B). Grandi and Hearn acknowledged UNRWA had encountered funding challenges for years, but insisted the agency's current financial situation was distinct in its severity in comparison with previous crises.

[1](#)4. (C) Hearn said the first program that might face cuts is the agency's hospitalization program, upon which 11,000

Palestinian refugees in Syria rely annually. Palestinian refugees in Syria are specifically barred from receiving SARG medical services, according to UNRWA officials. Hearn related he was lobbying the SARG to do more with less funding for refugees, but he stressed UNRWA must have its core funding needs met regardless of the level of SARG assistance.

15. (C) UNRWA's leadership argued that donor countries should step in to assist UNRWA's Syria programs because failure to do so would lead to long-term consequences for the stability of the region. "This could even affect the peace process," Grandi claimed. He added UNRWA's funding difficulties are strengthening conspiracy theories among Palestinians that donor countries were trying to "suffocate" UNRWA and "erase" the problem of Palestinian refugees from the global agenda. "All of this would have negative consequences for the region," Grandi warned.

#### STRENGTHENING ADVOCACY FOR REFUGEES

16. (C) In addition to tackling UNRWA's funding crisis, the agency's leadership said it was focusing on two objectives for the coming year: 1) strengthening advocacy on behalf of Palestinian refugees; and 2) improving delivery of UNRWA services to those refugees. Grandi said UNRWA was trying to convince the Israeli government to open legal border crossings in Gaza to discourage smuggling, and to allow the importation of construction materials necessary for reconstruction. "Some people criticize us for being political when we advocate for Palestinian refugees, but we are just doing our jobs," Grandi opined.

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17. (C) UNRWA's leaders praised Lebanese Prime Minister Saad Hariri's "very courageous" decision to tackle the issue of Palestinian access to the Lebanese labor market despite the political sensitivity of the issue in Lebanon. They explained Lebanon's restriction on allowing Palestinians to work in the country was based on concern for Lebanese workers and also out of fear of "normalizing" the refugees' situation in Lebanon thus reducing the chance they could ever go home. Grandi said he hears the same concerns from Syrians when he advocates for greater services for Palestinian refugees. "I have the same message here in Syria," Grandi said, "We can improve the rights of Palestinian refugees without changing their political context as refugees."

#### AMBASSADORS REACT TO FUNDING PLEA

18. (C) Ambassadors present at Grandi's briefing generally praised UNRWA's programs, but urged the organization to look at alternatives for raising funds. One European ambassador said that Gulf countries have a responsibility to contribute more, to which Grandi responded that he is pleased with increasing contributions from Saudi Arabia, Kuwait, and Qatar. Grandi acknowledged, however, that Arab countries remained reluctant to provide funding for UNRWA's general fund, as opposed to supporting specific projects such as Gaza reconstruction. The British and French ambassadors urged UNRWA to reach out to public opinion in donor countries as a way of raising awareness. Acknowledging his country's recent decision not to fund the agency's regular budget, the Canadian ambassador asked Hearn about staff costs and overhead at the agency. UNRWA's leadership insisted its overhead is lower in comparison to similar organizations.

19. (C) COMMENT: UNRWA's funding problems are not new, and the agency's leadership has frequently gone to donor countries asking for additional assistance over the years. But according to UNRWA representatives and SARG officials the agency is currently facing a more severe financial crisis. UNRWA's continued existence in Syria is not in doubt in the short-term. Despite his warnings, Hearn told us the SARG would not "allow" UNRWA's Syria efforts to die because it was too important to them politically. Indeed, Syria's

Palestinian assistance chief told us ref. B that the SARG's budget had reached over \$220 million and was not in danger. It is possible, however, that the agency will have to significantly scale back on some important programs for Palestinian refugees here unless a long-term solution is found to its current funding crisis. END COMMENT.

GOODFRIEND